

13th

ANNUAL REPORT 1999-2000

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BHARAT SEATS LIMITED

BHARAT SEATS LIMITED

BOARD OF DIRECTORS

| | |
|------------------|---|
| N.D. RELAN | <i>Chairman</i> |
| TSUNEO KOBAYASHI | <i>(Nominee-Suzuki Motor Corporation)</i> |
| M.K. AGARWAL | <i>(Nominee-Maruti Udyog Ltd.)</i> |
| AJAY RELAN | <i>Director</i> |
| ROHIT RELAN | <i>Managing Director</i> |

BANKERS

STATE BANK OF TRAVANCORE
PUNJAB NATIONAL BANK
THE BANK OF TOKYO - MITSUBISHI LTD.

REGD. OFFICE

B-238, OKHLA INDUSTRIAL AREA, PHASE - 1,
NEW DELHI - 110 020

FACTORY

JOINT VENTURE PLOT NO. 1,
MARUTI UDYOG LTD. COMPLEX,
PALAM - GURGAON ROAD,
GURGAON - 122 015 (HARYANA)

AUDITORS

M/S. JOGINDER P. JAIN & CO.
CHARTERED ACCOUNTANTS
NEW DELHI

LISTED AT

DELHI, MUMBAI & AHMEDABAD STOCK EXCHANGES

ASSTT. COMPANY SECRETARY & COMPLIANCE OFFICER

RITU BAKSHI

BHARAT SEATS LIMITED

NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the Shareholders of BHARAT SEATS LIMITED will be held on Thursday, 10th August, 2000 at 1100 Hours at India Habitat Centre, Lodhi Road, New Delhi to transact the following business:

1. To consider and adopt the Audited Balance Sheet as at 31.03.2000 and the Profit & Loss Account for the year ended on that date and the report of Board of Directors and Auditors thereon.
2. To declare dividend on shares.
3. To appoint a Director in place of Mr. N.D.Relan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. M. K. Agarwal (MUL Nominee), who retires by rotation and being eligible offers himself for reappointment.
5. To reappoint Auditors of the Company for the period commencing from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting and authorise the Board of Directors to fix their remuneration.

By Order of the Board
For **BHARAT SEATS LIMITED**

(RITU BAKSHI)
ASSTT.COMPANY SECRETARY

REGD.OFFICE:

B-238, OKHLA INDL.AREA
PHASE- I, NEW DELHI - 110020
DATED: 22nd June, 2000

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. Proxies in order to be valid must be lodged at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Register of members and share transfer books of the Company will remain closed from **7th August, 2000 to 10th August, 2000 (both days inclusive).**

BHARAT SEATS LIMITED

4. Shareholders/ Proxyholders are requested to produce at the entrance the Attendance Slip forwarded to them duly filled and signed in accordance with the signature registered with the Company for admission to the meeting hall.
5. Members desirous of getting any information relating to the accounts of the Company under reference or about operations of the Company, they are requested to write to the Company at least 7 days before the meeting to enable the Company to make it available at the meeting.
6. The Company has already transferred Unclaimed dividend declared upto the financial year ended 31st March, 1995 to the General Revenue Account of the Central Government as required by the *Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978*. Those shareholders who have so far not claimed or collected their Dividend upto the aforesaid financial year may claim their Dividend from the Registrar of Companies, Delhi & Haryana, Paryavaran Bhawan, C.G.O. Complex, Lodi Road, New Delhi.

By Order of the Board
For BHARAT SEATS LIMITED

(RITU BAKSHI)
ASSTT.COMPANY SECRETARY

REGD.OFFICE:

B-238, OKHLA INDL.AREA
PHASE- I, NEW DELHI - 110020
DATED: 22nd June, 2000

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BHARAT SEATS LIMITED**DIRECTORS' REPORT**

To the members,

The Directors of your Company are pleased to present the Thirteenth Annual Report and the Audited Statement of Accounts for the Financial year ended 31st March, 2000

| | 1999-2000 | 1998-99 |
|---|--------------|---------|
| | Rs. in lakhs | |
| Finances: | | |
| Sales | 9287.88 | 8138.52 |
| Profit before Depreciation & Financial charges/(Financial Income) | 356.62 | 170.54 |
| Add: (Financial Income) | (43.07) | (46.47) |
| Profit before Depreciation & Provisions | 399.69 | 217.01 |
| Less: | | |
| a) Depreciation | 157.63 | 117.43 |
| b) Provision for taxation | 90.82 | 35.00 |
| Net Profit after Tax | 151.24 | 64.58 |
| Add: Profit brought forward from previous year | 15.00 | 15.00 |
| Profit available for appropriation | 166.24 | 79.58 |
| Appropriations : | | |
| Dividend proposed | 62.80 | 47.10 |
| Tax on Dividend | 13.82 | 5.18 |
| Transfer to General Reserve | 74.62 | 12.30 |
| Balance carried forward to Balance Sheet | 15.00 | 15.00 |

During the year under review, your Company achieved an all time high production of 1.53 lakhs Seat Sets (Previous Year 1.32 lakhs Seat Sets)

This excellent production volume and capacity utilisation were attributable to the increased demand of Maruti range of Vehicles, KAIZEN, inhouse development of items, improved business systems and untiring efforts put in by all the employees of the Company.

DISTRIBUTABLE PROFITS :- DIVIDEND

Your Directors recommend a Dividend of Rs.2/- per share @20% for the year ended 31.03.2000.

OPERATIONS :

| | | 1999-2000 | 1998-99 | % INCREASE |
|-------------------------|---------------------------|---------------|---------------|-----------------|
| Production | (No. of Seat Sets) | 152576 | 132366 | 15.26 % |
| Sales | (No. of Seat Sets) | 152639 | 132253 | 15.41 % |
| Profit after tax | (Rs. in lakhs) | 151.24 | 64.58 | 134.19 % |

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RESERVES

Total Reserves of the Company have increased to Rs. 1148.77 Lakhs as on 31.03.2000 from Rs. 1074.15 lakhs as on 31.03.99, giving an increase of Rs. 74.62 Lakhs during the year.

PRODUCT UPGRADATION/ QUALITY IMPROVEMENT :

Your Company is in the process of development of new model- Model 'A' (YG4) of Seat Sets and upgradation of existing model "YE2"(EU) to meet Euro norms. There has been indigenisation of manufacturing facilities such as tools, Jigs & fixtures for the development of new models. This will also lead to better utilisation of manpower. Further, Foolproofing is adopted for better customer satisfaction.

Your Company is having a very strong KAIZEN base and under the able guidance of Kaizen Advisor from Suzuki Motor Corporation and Kaizen Coordinator from Houwa Kogyo, the Company has attained new heights in Kaizen activities.

Kaizen work not only leads to cost saving and area saving, but also raises productivity with improved quality. Your Company is being rated as Number one Company in the team of five Joint Ventures of MUL for Kaizen activities.

Presently, the Company is in the process of implementing Total Productive Maintenance (TPM) and is committed for TPM Certification within next three years. Presently, work is going on five Model machines raising their efficiency on an average of 10 to 15 percent. Horizontal replication will be made on other machines and more improvement is expected in Model machines.

Y2K COMPLIANCE

The Company has successfully undergone year 2000 rollover. All systems/ equipments are functioning normal in the post Y2K environment.

CONSERVATION OF ENERGY

Your company is not covered by the Schedule of Industries which are required to furnish information in Form 'A' under section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988. We are one of the Maruti Joint Venture Companies to substantially improve our electrical energy, power factor and meet their stringent requirements. These efforts should bring about notable Consumption savings by the end of 2000-2001.

TECHNOLOGY ABSORPTION

1. Efforts, in brief, made towards Technology absorption, adaptation and innovation

: The Company specifically absorbed the technology from its collaborator M/s Houwa Kogyo Co. Ltd., Japan to manufacture the latest generation of seating systems in new vehicle to be launched by our Customer shortly.

Our Managers and Engineers were specifically trained in Japan for the Design, Development and Testing of the new generation seating systems.

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- | | | |
|---|--|--|
| 2 | Benefits derived as a result of the above efforts | The manufacturing of latest seating systems would result in better utilisation of manpower and increased value addition for the Company. |
| 3 | In case of imported technology (a) Technology imported (b) Year of import (c) Has technology been fully Absorbed (d) If not fully absorbed, areas Where this has not taken place reasons therefor and future plans of action | None |

FOREIGN EXCHANGE EARNINGS AND OUTGO

The value of seats produced by us for use as fitment in export model cars of Maruti Udyog Limited are estimated to Rs. 7.88 Crores. However, Foreign Exchange expenditure as shown in the Notes to Accounts forming part of this Annual Report is for import of Raw materials/ Spares/ Capital equipments/ Technical fees/ Training fees etc.

DIRECTORS

Shri N.D. Relan and Shri M. K. Agarwal (MUL Nominee) retire by rotation and being eligible offer themselves for reappointment.

HUMAN RESOURCES

Your Company's policies integrates the people, their skills and the needs of the organisation. The particulars of employees covered under the provisions of Sec 217(2A) of the Companies Act, 1956 are enclosed as Annexure 'A'.

AUDITORS

M/s Joginder P. Jain & Co., Chartered Accountants retire at the Annual General Meeting and being eligible offer themselves for reappointment, which if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

The Directors place on record their grateful appreciation for the valuable assistance and co-operation extended to the Company from Suzuki Motor Corporation, Japan, Maruti Udyog Ltd, Houwa Kogyo Co. Ltd., State Bank of Travancore, Bank of Tokyo-Mitsubishi Ltd., various departments of Central Government and Haryana State Government. The directors convey their deep appreciation to employees at all levels for their commitment and collective team work.

Finally, your Directors owe a debt of gratitude to all shareholders for their unstinted support.

For and on behalf of the Board
BHARAT SEATS LIMITED

PLACE: NEW DELHI
DATED: 22nd June, 2000

(N.D.RELAN)
CHAIRMAN